DEPARTMENT OF JUSTICE

QUEEN'S PRINTER REVOLVING FUND

FINANCIAL STATEMENTS

For the Year Ended March 31, 2006

Provincial Auditor Saskatchewan

1500 Chateau Tower
1920 Broad Street
Regina, Saskatchewan
S4P 3V2

Phone: (306) 787-6398
Fax: (306) 787-6383
Web site: www.auditor.sk.ca
Internet E-mail: info@auditor.sk.ca

SASKATCHEWAN

AUDITOR'S REPORT

To: The Members of the Legislative Assembly of Saskatchewan

I have audited the statement of financial position of Queen's Printer Revolving Fund as at March 31, 2006 and the statements of operations and accumulated operating surplus and changes in accumulated net expenditure (recovery). The Revolving Fund's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Revolving Fund as at March 31, 2006 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Regina, Saskatchewan
June 23, 2006

Fred Wendel, CMA, CA
Provincial Auditor

Statement 1

DEPARTMENT OF JUSTICE
QUEEN'S PRINTER REVOLVING FUND
STATEMENT OF FINANCIAL POSITION
AS AS MARCH 31

	2006	2005
ASSETS		
Current assets		
Accounts receivable (net)	$ 74,326	$ 158,460
Inventories	-	34,107
Other assets	4,458	5,616
Total current assets	$ 78,784	$ 198,183
TOTAL ASSETS	$ 78,784	$ 198,183
LIABILITIES AND FUND EQUITY		
Current liabilities		
Accounts payable	$ 78,256	$ 102,341
Unearned revenue (Note 5)	24,997	28,478
Total current liabilities	$ 103,253	$ 130,819
Non-current liabilities		
Accumulated net (recovery) expenditure (Statement 3)	(71,915)	33,610
Fund Equity		
Accumulated operating surplus (Statement 2)	47,446	33,754
TOTAL LIABILITIES AND FUND EQUITY	$ 78,784	$ 198,183

(see accompanying notes to financial statements)

DEPARTMENT OF JUSTICE
QUEEN'S PRINTER REVOLVING FUND
STATEMENT OF OPERATIONS AND ACCUMULATED OPERATING SURPLUS
FOR THE YEAR ENDED MARCH 31

Statement 2

	Budget 2006 (Note 8)	2006	2005
REVENUE			
Sales	$ 608,000	$ 643,444	$ 580,890
Cost of Goods Sold	(239,500)	(236,750)	(199,626)
Gross Profit	$ 368,500	$ 406,694	$ 381,264
EXPENSES			
Salaries	$ 470,000	$ 436,435	$ 459,915
Information Technology	27,000	15,747	21,184
Telephone	9,000	9,656	9,879
Office Supplies	13,000	17,919	12,840
Renovations	-	19,161	-
Other	27,500	19,229	19,022
Total expenses	$ 546,500	$ 518,147	$ 522,840
Loss from operations	$ (178,000)	$ (111,453)	$ (141,576)
Subsidy from General Revenue Fund	159,000	125,145	159,000
Net income (loss) after subsidy	$ (19,000)	$ 13,692	$ 17,424
Accumulated operating surplus - beginning of year		33,754	16,330
Accumulated operating surplus - end of year		$ 47,446	$ 33,754

(see accompanying notes to financial statements)

DEPARTMENT OF JUSTICE
QUEEN'S PRINTER REVOLVING FUND
STATEMENT OF CHANGES IN ACCUMULATED NET EXPENDITURE (RECOVERY)
FOR THE YEAR ENDED MARCH 31

Statement 3

	2006	2005
Financing (provided by) required for operating activities:		
Net Income (Statement 2)	$ (13,692)	$ (17,424)
Net (decrease) increase in working capital related to operations (Note 6)	(91,833)	76,190
Net (decrease) increase in financing requirements	(105,525)	58,766
Accumulated net expenditure (recovery) - beginning of year	33,610	(25,156)
Accumulated net (recovery) expenditure - end of year	$ (71,915)	$ 33,610

(see accompanying notes to financial statements)

DEPARTMENT OF JUSTICE
QUEEN'S PRINTER REVOLVING FUND
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2006

1. Authority and Definition of Reporting Entity

The Revolving Fund operates under the authority of Section 9.1 of *The Queen's Printer's Act*. The purpose of the revolving fund is to provide a mechanism for printing, publishing and distributing government documents and publications to the public.

2. Significant Accounting Policies

The financial statements are prepared in accordance with Canadian generally accepted accounting principles. These financial statements do not present a cash flow statement because the required cash flow information is readily apparent from the Statement of Changes in Accumulated Net Expenditure (Recovery) and Note 6. The following accounting policies are considered significant:

a) Net financing requirements

The net financing requirement is the cash flow to or from the General Revenue Fund. It represents the total annual financing requirements resulting from working capital changes and net cash flows from operations.

b) Accumulated net expenditure (recovery)

The accumulated net expenditure (recovery) of the fund includes the net increase (decrease) in financing requirements for each fiscal year.

c) Inventories

Inventories are valued at the lower of average cost and net realizable value.

3. Authorized Financing

Subsection 9.1(10) of *The Queen's Printer's Act* provides for a maximum amount of accumulated net expenditures which may at any time be outstanding to be set by order of the Lieutenant Governor in Council. A maximum amount of $150,000 was established by Order in Council 667/89.

4. Accumulated Operating Surplus/Deficit

Treasury Board controls the operations of the Revolving Fund, in part by monitoring the amount of its accumulated operating surplus (deficit). If the amount falls above or below the limit specified by Treasury Board, management is responsible to present a plan to address the excess surplus (deficit) for approval by Treasury Board. Plans may include, but are not limited to, payment of excess surpluses to, or requests for additional funding

from, the General Revenue Fund. The limit for the Queen's Printer Revolving Fund is $100,000.

5. Unearned Revenue

Subscriptions to *The Saskatchewan Gazette* are considered Unearned Revenue for those months that the subscription extends beyond the fiscal year.

6. Net Changes in Working Capital Related to Operations

	2006	2005
(Decrease) increase in accounts receivable	$ (84,134)	$ 111,917
(Decrease) increase in inventories	(34,107)	23,220
(Decrease) increase in other assets	(1,158)	5,326
Decrease (increase) in accounts payable	24,085	(63,797)
Decrease (increase) in unearned revenue	3,481	(476)
Net (decrease) increase in working capital related to operations	**$ (91,833)**	**$ 76,190**

7. Related Party Transactions

Included in these financial statements are transactions with various Saskatchewan Crown Corporations, departments, agencies, boards and commissions related to the Revolving Fund by virtue of common control by the Government of Saskatchewan, and non-Crown corporations and enterprises subject to joint control or significant influence by the Government of Saskatchewan (collectively referred to as "related parties").

Publications are sold and services are provided to related parties at amounts agreed to by the parties. These amounts are lower than those charged to other customers.

These transactions and amounts outstanding at year-end are as follows:

	2006	2005
Sales	$ 231,121	$ 269,514
Accounts receivable (net)	48,883	121,619

Routine operating transactions with related parties are recorded at the standard rates charged by those organizations and are settled on normal trade terms. These transactions and amounts outstanding at year-end are as follows:

	2006	2005
Expenses	$ 131,152	$ 109,373
Accounts payable	22,725	2,885

In addition, the Revolving Fund pays Saskatchewan Provincial Sales Tax to the Saskatchewan Department of Finance on all its taxable purchases. Taxes paid are recorded as part of the cost of those purchases.

Other transactions with related parties and amounts due to/from them are described separately in these financial statements and notes thereto.

In accordance with established government policy, the Revolving Fund has not been charged with certain costs including occupancy, financing, use of tangible capital assets and certain administrative costs. These costs have been absorbed by various departmental appropriations and therefore no provision for such costs is reflected in these financial statements.

8. Budget

These amounts are included in the budget submitted to Treasury Board for approval. Treasury Board approves the Revolving Fund's budget annually.

9. Financial Instruments

The Revolving Fund's financial instruments include accounts receivable and accounts payable. Due to their immediate and short-term nature, the carrying value of these instruments approximates the fair value.

The fair value of the accumulated net expenditure (recovery) has been omitted because it is not practicable to determine the fair value with sufficient reliability.

10. Amount Reported in the Public Accounts

The net expenditure (recovery) of the Revolving Fund reported in the Public Accounts is the net income of the Revolving Fund adjusted for the following differences in accounting policies and other adjustments between the Revolving Fund and the General Revenue Fund.

	2006	2005
Net income from operations	$ 13,692	$ 17,424
Decrease (increase) in inventories	34,107	(23,220)
Timing differences in recording transactions	(1,713)	17,625
Net expenditure reported in Public Accounts	**$ 46,086**	**$ 11,829**